

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2073 - SB 2230

March 3, 2016

SUMMARY OF BILL: Establishes a discount for individuals who are 65 years of age or older, equal to 50 percent of the motor vehicle registration fee imposed pursuant to Tenn. Code Ann. § 55-4-111(a)(1) at the time of renewal of the registration.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$157,200/General Fund
\$7,700,700/Highway Fund**

Assumptions:

- According to the Department of Revenue and based on motor vehicle registration information as of February 2016, there are approximately 5,646,936 vehicles registered for all class categories under Tenn. Code Ann. § 55-4-111(a)(1).
- According to the U.S. Census Bureau, approximately 15 percent of the 2014 Tennessee population were people 65 years of age or older.
- Fifteen percent of total vehicles registered, or 847,040, are assumed to be registered by individuals who are 65 years of age or older.
- Based on the assumed apportionment of such registrations by each class category under Tenn. Code Ann. § 55-4-111(a)(1) and the associated registration fees for each such class, the current registration fee revenue realized from such registrations is estimated to be \$15,715,705.
- The proposed legislation will result in a recurring decrease in state revenue, equal to the 50 percent of the current collections, or approximately \$7,857,852.
- Of this amount, 98 percent, or \$7,700,695, is estimated to be a recurring decrease in revenue to the Highway Fund, and 2 percent, or \$157,157, is estimated to be a recurring decrease in revenue to the General Fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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